

Message Text

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PAGE 01 STATE 047722
ORIGIN EUR-12

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C O N F I D E N T I A L STATE 047722

E.O. 11652:GDS

TAGS: ECON, EEWT, UR

SUBJECT: SOVIET REQUEST FOR A TRACTOR COMPANY

REF: STATE 27503 AND PREVIOUS

1. SOVIET TRADE REPRESENTATIVE MKRTUMOV CALLED ON EUR
DEPUTY ASSISTANT SECRETARY ARMITAGE, MARCH 2, TO DISCUSS
FURTHER SOVIET REQUEST TO ESTABLISH A TRACTOR COMPANY IN
THE US.
2. MKRTUMOV GAVE ARMITAGE A LETTER DETAILING PURPOSE
AND PROPOSED OPERATION OF THE COMPANY ALONG GENERAL LINES
DISCUSSED DURING RECENT VISIT BY TRACTOROEXPORT CHAIRMAN
MYSHKOV TO THE US. UNOFFICIAL TRANSLATION FOLLOWS:
BEGIN TEXT:
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"IN ACCORDANCE WITH YOUR REQUEST CONCERNING INFORMATION ON
CREATION BY THE SOVIET FOREIGN TRADE ORGANIZATION V/O
"TRACTOROEXPORT" A CORPORATION IN THE USA I HAVE THE HONOR
TO INFORM YOU OF THE FOLLOWING:

THE MENTIONED CORPORATION IS BEING CREATED ACCORDING TO

THE US LEGISLATION IN FORCE AND BEING INDEPENDENT LEGAL ENTITY WILL BE ENGAGED IN IMPORT FROM THE USA OF SOVIET

TRACTORS, AGRICULTURAL AND EARTH-MOVING MACHINERY AND EQUIPMENT AND SPARE PARTS TO THEM AS WELL AS IN SEPARATE OPERATIONS ON EXPORT TO THE USSR OF SIMILAR AMERICAN MACHINERY AND EQUIPMENT.

THE COMPANY WILL HAVE SUBSIDIARIES WHICH WILL EFFECT PRESALE PREPARATION AND DELIVERY OF TRACTORS, AGRICULTURAL AND EARTH-MOVING MACHINERY AND EQUIPMENT AND SPARE PARTS TO THEM TO THE AMERICAN DISTRIBUTORS AND DEALERS.

THE LOCATION OF THE HEAD OFFICE OF THE COMPANY WILL BE NEW YORK CITY AND THE PLACE OF INCORPORATION - THE STATE OF WISCONSIN. THE AMERICAN PERSONNEL OF THE COMPANY IN NEW YORK WILL BE OF ABOUT 15 PERSONS AND IN ITS SUBSIDIARIES BEING CREATED AT PRESENT IN MILWAUKEE AND NEW ORLEANS - ABOUT 70 PERSONS.

FOR ACCOMPLISHING ITS ACTIVITIES THE COMPANY WILL RENT IN THE INITIAL PERIOD OF ITS WORK CORRESPONDING LAND PLOTS AND STORAGE SPACES IN MILWAUKEE AND NEW ORLEANS.

FOR THE PURPOSE OF BEGINNING THE WORK OF THE COMPANY IN THE SHORTEST POSSIBLE PERIOD OF TIME PENDING DECISION OF THE STATE DEPARTMENT ON AUTHORIZING 4 ENTRY VISAS FOR ITS SOVIET EMPLOYEES IN ACCORDANCE WITH THE CORRESPONDING REQUEST OF THE SOVIET SIDE, TEMPORARILY TO THE COMPANY
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WILL BE TRANSFERRED 2 EMPLOYEES FROM "AMTORG TRADING CORP." THE PLACE OF PERMANENT RESIDENCE OF THESE EMPLOYEES WILL BE NEW YORK CITY.

V/O "TRACTOROEXPORT" INTENDS TO PERIODICALLY SEND TO THE USA ITS REPRESENTATIVES AND TECHNICAL EXPERTS ON A TEMPORARY BASIS FOR RENDERING ASSISTANCE IN THE WORK OF THE COMPANY IN QUESTION.

THE TRAVEL OF ALL SOVIET EMPLOYEES CONNECTED WITH THE WORK OF THE COMPANY WILL BE EFFECTED IN ACCORDANCE WITH USA LAWS AND REGULATIONS IN FORCE WITH NOTIFICATION OF THE DEPARTMENT OF STATE THROUGH "AMTORG TRADING CORP."
END TEXT.

3. MKRTUMOV PRESSED FOR AN ORAL REPLY BUT ARMITAGE DEFERRED AND SAID HE WOULD GIVE A FORMAL, WRITTEN REPLY AS SOON AS POSSIBLE.

4. COMMENT. FYI. WE BELIEVE IT IS IMPORTANT TO HAVE AN EXCHANGE OF LETTERS BECAUSE IT WOULD BE A WAY TO GIVE OUR CONDITIONS FOR THE COMPANY LEGAL FORCE. THE SOVIETS

ARE FREE, UNDER OUR LAW, TO SET UP A COMPANY WITHOUT APPROVAL FROM THE DEPARTMENT, BUT WE HAVE MADE CLEAR TO THEM THAT NO SOVIET COMPANIES SHOULD BE ESTABLISHED HERE WITHOUT PRIOR INTERGOVERNMENTAL CONSULTATIONS.

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Sent Date: 03-Mar-1977 12:00:00 am
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